



**Proposal of Northern Pacific Airways (d/b/a Ravn Alaska)
to provide subsidized Essential Air Service for:**

St. Paul Island, Alaska

Docket DOT-OST-2019-0038

June 1, 2023



Venkatesh Paluvai
United States Department of Transportation
Office of Aviation Analysis
1200 New Jersey Ave SE
Washington, DC 20590

Subject: Proposal to Provide EAS at St. Paul, Alaska

Dear Mr. Paluvai,

Please find herein Northern Pacific's (d/b/a Ravn Alaska and henceforth referred to as 'Ravn') proposal to provide essential air service (EAS) at St. Paul Island, Alaska (SNP). We believe that Ravn is well positioned to continue to fulfill the air service requirements of this community with our unique commercial and operational ability to do so.

Ravn proposes to continue to provide the St. Paul Island community with 3 weekly frequencies per calendar week to the industry hub of Anchorage, Alaska (ANC). Using the carrier's requested subsidy at three scheduled flights per week, Ravn does request that additional flights will be available for completion and compensation in peak periods. This will allow Ravn the ability to support the community with sufficient capacity in higher demand periods and account for the unique operational challenges to safely operating in the region.

Ravn has interline relationships with multiple major carriers to facilitate seamless connectivity beyond the ANC hub, including with the largest carrier Alaska Airlines. Representative schedules are provided within this proposal. It is our intention to use 25-seat Dash 8 aircraft for this operation, although we request the right to operate larger Dash 8 aircraft provided those become available at the same subsidy per flight.

Thank you for your consideration.

Rob McKinney
CEO, Northern Pacific Airways, Inc.
4700 Old International Airport Rd.
Anchorage, AK 99502
907-266-8394



Proposal Overview

Aircraft and Safety

Ravn will utilize 25-seat Dash 8 aircraft as part of this proposal. The Dash 8 has been successfully deployed in Ravn Alaska's network and specifically to the St. Paul community. It has proven operationally reliable and commercially desirable.

- Comfortable 25-seat interior specifically tailored for St. Paul Island operations
- Full cabin class experience, flight attendant and onboard product
- Estimated 50% lower carbon footprint vs. regional jet aircraft
- Demonstrated performance in most difficult operating conditions

Ravn has considerable experience with this aircraft type and is well positioned to operate it as safely and reliably as possible. Currently Ravn operates a fleet of 10 Dash 8 aircraft. As a Part 121 carrier, Ravn has a full Safety Management System (SMS) program and has passed IATA's International Operational Safety Audit (IOSA), something achieved by less than half of US Part 121 carriers.

Ravn's aircraft for St. Paul Island are specially configured to serve the market, with a reduced capacity of 25 seats to provide for both additional baggage/cargo space and space for safety rafts for the over-water portion of flight.

Connectivity, Marketing, and Distribution

Ravn anticipates that it will be uniquely positioned to provide meaningful connectivity for passengers beyond the ANC hub. Ravn has interline agreements with the following relevant carriers

- Alaska Airlines
- American Airlines
- Delta Air Lines
- Sun Country Airlines
- United Airlines

Ravn is well positioned to successfully distribute both connecting and local itineraries both through its interline agreements and distribution capabilities. Itineraries to/from SNP will be distributed via major global distribution channels (including Amadeus, Sabre, and Travelport), and most relevant agencies and meta searches (Expedia, Orbitz, Kayak, Google Flights, etc.).



Schedule

Ravn will provide a baseline schedule of 3 round-trip flights per week to St. Paul Island (SNP) from the carrier's hub in Anchorage, Alaska (ANC). The schedule times below, and days of week are meant to be representative and subject to change based on feedback from the community.

St. Paul Island (SNP) Representative Schedule Proposed by Ravn					
ORG	DST	DEP	ARR	Stops	DOW
ANC	SNP	11:00	15:05	Technical*	1,4,5
SNP	ANC	16:00	19:05	0	1,4,5

Other Notes

Ravn's bid for service to SNP is not conditioned on any other awards.

Ravn requests the ability to increase scheduled service between ANC and SNP during peak periods that will be available to completion and compensation subject to not exceeding the annual levels of operation or compensation outlined in this proposal.

*Westbound service between Anchorage and St. Paul Island will include time for a technical stop that will be subject to weather conditions and could be omitted.

If selected, Ravn will accept an award for St. Paul Island (SNP) on either a two (2) or four (4) year term.



EAS Bid

Airport	SNP
<i>City</i>	<i>St. Paul Island</i>
Capacity	
Segments Per Week	6
Annual Scheduled Segments	312
Aircraft Type	Dash 8
Seats per Departure	25
Annual Scheduled Seats	7,800
Completion Factor	90%
Completed Segments	281
Revenue	
Annual PAX	3,100
Average Fare	\$600
Non-Ticket Revenue	\$250,000
Annual Revenue	\$2,110,000
Expenses	
Aircraft Ownership	\$450,000
Direct Wages	\$562,500
Aircraft Operating Costs	\$1,692,000
Departure Related	\$238,290
Marketing, Selling, Dist.	\$168,800
Overhead, Interest, Other	\$1,353,600
Annual Expense	\$4,465,190
Operating Loss	(\$2,355,190)
Profit (5%)	\$223,260
Annual Subsidy Requirement	\$2,578,450
<i>Per Passenger</i>	<i>\$832</i>
<i>Per Trip</i>	<i>\$9,176</i>

*Annual subsidy to increase at a rate of 4% per year during award term